



# Civil Resolution Tribunal

Date Issued: July 4, 2019

File: SC-2019-001817

Type: Small Claims

Civil Resolution Tribunal

Indexed as: *PALLAS. v. STAHL ELECTRIC LTD.*, 2019 BCCRT 805

B E T W E E N :

STAHL ELECTRIC LTD.

**APPLICANT**

A N D :

ANDRE PALLAS

**RESPONDENT**

A N D :

STAHL ELECTRIC LTD.

**RESPONDENT BY COUNTERCLAIM**

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**REASONS FOR DECISION**

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Tribunal Member:

Trisha Apland

## **INTRODUCTION**

1. This dispute is about a mobile home inspection.
2. In December 2017, the respondent, ANDRE PALLAS, hired the applicant and respondent by counterclaim, STAHL ELECTRIC LTD. (Stahl), to perform electrical work and an inspection of Mr. Pallas's mobile home. Stahl claims \$1,557.27 plus contractual interest of \$532.82 at 2% yearly on its outstanding invoice.
3. Mr. Pallas denies that he owes Stahl any payment on the invoice because he says Stahl did not complete its work as per their agreement. He claims Stahl delayed submitting paperwork to Technical Safety BC (TSBC), causing him to miss a deadline on the sale of his mobile home and requiring him to pay a penalty of \$2,000. By counterclaim, Mr. Pallas claims reimbursement of the \$2,000 penalty he paid the purchaser.
4. Stahl says it is not liable for the penalty. It says it completed the work on time and in accordance with the TSBC requirements. It says any delay was caused by TSBC in completing the final inspection and certification of the mobile home.
5. Stahl is represented by Nicky Heiz, an employee. Mr. Pallas is self-represented.

## **JURISDICTION AND PROCEDURE**

6. These are the formal written reasons of the Civil Resolution Tribunal (tribunal). The tribunal has jurisdiction over small claims brought under section 118 of the *Civil Resolution Tribunal Act (Act)*. The tribunal's mandate is to provide dispute resolution services accessibly, quickly, economically, informally, and flexibly. In resolving disputes, the tribunal must apply principles of law and fairness, and recognize any relationships between parties to a dispute that will likely continue after the dispute resolution process has ended.
7. The tribunal has discretion to decide the format of the hearing, including by writing, telephone, videoconferencing, email, or a combination of these. I decided to hear

this dispute through written submissions, because I find that there are no significant issues of credibility or other reasons that might require an oral hearing.

8. The tribunal may accept as evidence information that it considers relevant, necessary and appropriate, whether or not the information would be admissible in a court of law. The tribunal may also ask questions of the parties and witnesses and inform itself in any other way it considers appropriate.
9. Under tribunal rule 9.3(2), in resolving this dispute the tribunal may make one or more of the following orders:
  - a. order a party to do or stop doing something;
  - b. order a party to pay money;
  - c. order any other terms or conditions the tribunal considers appropriate.

## **ISSUES**

10. The issues in this dispute are:
  - a. Is Mr. Pallas required to pay Stahl the invoiced amount of \$1,557.27 plus 2% yearly contractual interest?
  - b. Is Stahl liable for the \$2,000 penalty Mr. Pallas incurred on the sale of his mobile home?

## **EVIDENCE AND ANALYSIS**

11. Stahl bears the burden of proving its claim, on a balance of probabilities. In the counterclaim, Mr. Pallas bears this same burden. I have reviewed the evidence and submissions but refer to them only as needed to explain my decision.
12. Mr. Pallas says the parties met on December 3, 2017. He says at this meeting, the parties entered into a verbal contract that included the following terms:

- a. Stahl would provide services that included fixing all electrical deficiencies at his property,
  - b. Stahl would take the steps necessary to arrange for and oversee:
    - i. the inspection of the property for compliance, and
    - ii. securing a Canadian Standards Association (CSA) label/certificate of compliance,
  - c. The services would be completed by December 29, 2017, and
  - d. Mr. Pallas would compensate Stahl accordingly for the services rendered.
13. With the exception of term “b” above, Stahl does not dispute that the parties agreed to the above terms. I accept that the parties entered into a verbal contract that included the terms as listed above, with the exception of term “b”. I find term “b” is important because it is the foundation of Mr. Pallas’s argument that Stahl breached the parties’ contract when he did not receive the CSA label by the deadline.
14. Stahl says that once it submitted the mobile home’s inspection checklist to TSBC, the inspection was out of its hands. TSBC contacts the customer and schedules the inspection date. TSBC is a public body which conducts independent inspections and has the authority to decide whether a mobile home is compliant and to issue the CSA label. I find Stahl would not have been in a position to oversee TSBC’s process or to secure a CSA label by December 29, 2017 or at all.
15. I find on the evidence before me that Stahl only agreed to complete the inspection checklist and submit the required paperwork to TSBC for its inspection by December 29, 2017 and it did not agree to oversee TSBC or secure the CSA label because Stahl would have known it had no ability to control that.
16. It is undisputed that Stahl completed the electrical work between December 6 and 8, 2017. Stahl submitted the application, including the checklist to TSBC on December 20, 2017, a copy of which was provided to me. Apart from the allegation

of delay, there is no suggestion of any problems with Stahl's services. I note that TSBC issued the CSA label for the mobile home, which supports Stahl's position that it completed the work in accordance with TSBC requirements.

17. I find Stahl performed its side of the contract when it completed the required services and submitted the paperwork to TSBC before the parties' agreed deadline of December 29, 2017. I find Mr. Pallas breached the contract when he failed to pay.
18. Stahl had hired a collections company, Credit Management Corporation, to collect on the outstanding invoice, which is the same debt that is the subject of this dispute. The parties agree that Credit Management did not collect on the debt. Stahl says Credit Management would not collect on a small claim debt. Mr. Pallas does not say the debt is currently assigned to Credit Management. I find the debt is not assigned to Credit Management and is still owing to Stahl. I find Mr. Pallas must pay Stahl the invoiced amount of \$1,557.27 plus interest, as discussed below
19. Stahl's December 30, 2017 invoice states that the contractual interest on unpaid amounts is 2% per month. In its Dispute Notice, Stahl claims contractual interest at only 2% per year. However, I have no evidence before me that the parties had agreed to any rate of contractual interest. Therefore, I do not allow Stahl's claim for contractual interest. Instead, I allow pre-judgment interest under the *Court Order Interest Act* (COIA) of \$15.29, calculated from the date of the invoice.
20. As for the counterclaim, I find Mr. Pallas has not established that Stahl is liable for the \$2,000 penalty he paid the purchaser on the sale of his mobile home.
21. On December 18, 2017, Mr. Pallas entered into a contract to sell his mobile home. According to the contract of purchase and sale, Mr. Pallas originally agreed to provide the buyer with a valid CSA label affixed to the mobile home by December 29, 2017.
22. On December 27, 2017, Mr. Pallas and the buyer amended the contract by addendum. They agreed instead to a hold back of \$2,000 from the sale proceeds

until Mr. Pallas provided proof of a valid CSA label. The addendum required Mr. Pallas to provide the CSA label by January 15, failing which the hold back would be released to the buyer. As it is undisputed that TSBC had not issued the CSA label until after that January 15 deadline, I accept Mr. Pallas forfeited the \$2,000.

23. Mr. Pallas argues that Stahl is liable for the penalty because it delayed 12 days in sending the application to TSBC and then only followed up with TSBC on the status 1 business day before the January 15, 2018 deadline.
24. First, Mr. Pallas has not substantiated that Stahl improperly delayed sending the application or that it should have sent it sooner. Stahl sent the application to TSBC on December 20, 2017, before their agreed December 29 deadline. As noted above, I find that Stahl's agreed services did not include a certificate by December 29.
25. Second, as I find that Stahl did not agree to oversee TSBC, I find Stahl owed no duty to Mr. Pallas to follow-up on the status.
26. Third, I find that Mr. Pallas had agreed to the January 15 deadline after he knew or ought to have known the paper work was only submitted on December 20, 2017. I find he did not act reasonably in ensuring he could meet that deadline. I also find Mr. Pallas did not rely on Stahl when agreeing to the January deadline. According to the parties' emails and text messages, Mr. Pallas only asked Stahl on December 31, 2017 after he agreed to the addendum, when he could expect the completed CSA inspection. Stahl's January 4, 2018, email reply was uncertain. Stahl wrote, "I'm not sure, usually within 2 weeks I think".
27. I find Mr. Pallas was solely responsible to ensure he could meet the sale contract deadline when he agreed to the addendum and for the resulting penalty. Accordingly, I dismiss Mr. Pallas's counterclaim.
28. Under the Act, and tribunal rules, the tribunal will generally order an unsuccessful party to reimburse a successful party for tribunal fees and reasonable dispute-related expenses. I find Stahl as the successful party is entitled to reimbursement of

its \$125 in tribunal fees. Stahl did not claim any dispute-related expenses. I dismiss Mr. Pallas's claims for tribunal fees.

## **ORDERS**

29. Within 30 days of the date of this order, I order Andre Pallas to pay Stahl Electric Ltd. a total of \$1,697.56, broken down as follows:

- a. \$1,557.27 for the electrical inspection work,
- b. \$15.29 in pre-judgment interest under the COIA, calculated from December 30, 2017, and
- c. \$125 in tribunal fees.

30. The applicant is entitled to post-judgment interest under the COIA, as applicable.

31. Under section 48 of the Act, the tribunal will not provide the parties with the Order giving final effect to this decision until the time for making a notice of objection under section 56.1(2) has expired and no notice of objection has been made. The time for filing a notice of objection is 28 days after the party receives notice of the tribunal's final decision.

32. Under section 58.1 of the Act, a validated copy of the tribunal's order can be enforced through the Provincial Court of British Columbia. A tribunal order can only be enforced if it is an approved consent resolution order, or, if no objection has been made and the time for filing a notice of objection has passed. Once filed, a tribunal order has the same force and effect as an order of the Provincial Court of British Columbia.

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Trisha Apland, Tribunal Member